

# Maritime Allowance Study



## Outline...

- **CINCLANTFLT msg**
- **Scope**
- **MAWG establishment**
- **Next Steps**
  - MAWG Meeting
  - Little Creek, VA
  - 17-18 July 2002

# Background

1. THIS IS A JOINT CINCLANTFLT N41/CINCPACFLT N4 MESSAGE.
2. A KEY INGREDIENT TO DELIVERING COMBAT CAPABILITY AND SUSTAINMENT THROUGH LOGISTICS IS AN EFFECTIVE MARITIME INVENTORY STRATEGY. OVER THE PAST SEVERAL MONTHS MANY QUESTIONS HAVE BEEN RAISED REGARDING THE PERFORMANCE OF OUR MARITIME ALLOWANCE PRODUCTS. COSAL MODEL REVIEWS, COSAL RANGE DISPARITIES, AND NET/GROSS EFFECTIVENESS ARE A FEW OF THE ISSUES THAT FLEET, TYCOM, NAVSUP, AND NAVICP STAFFS HAVE BEEN ANALYZING. TO PREVENT DUPLICATIVE EFFORT, REQUEST NAVSUP COORDINATE A THOROUGH FLEET-FOCUSED REVIEW OF OUR CURRENT INVENTORY STRATEGY AND ALLOWANCE PROCESS, AND DEVELOP RECOMMENDATIONS FOR IMPROVEMENT WHERE PAGE 03 RUCBCLF0986 UNCLAS APPROPRIATE. REVIEW SHOULD BE COMPREHENSIVE, INCLUDING CONFIGURATION MANAGEMENT (NAVSEA LEAD), POLICIES AND PROCEDURES, THE PERFORMANCE OF THE PRODUCTS ONCE DELIVERED TO THE FLEETS, AND THE UPDATE OF THOSE PRODUCTS. REQUIRED OUTPUTS OF THE REVIEW ARE CONSISTENT STANDARDIZED QUALITY ALLOWANCE PRODUCTS AND METRICS THAT ADEQUATELY CAPTURE THE PERFORMANCE OF THE ALLOWANCE PRODUCT AND SUPPLY CHAIN. THE REVIEW TEAM WILL HAVE REPRESENTATION FROM THE FLEET/TYCOM, NAVSUP, CNO N41, NAVSEA, SPAWAR, NAVICP, AND NAVSEALOGCEN, AND MEET NOT LATER THAN MID-SEPTEMBER. AN INTERIM MILESTONE WILL BE TO BRIEF THEIR POA&M AND STATUS AT THE FLEET SUPPLY POLICY COUNCIL (FSPC) IN EARLY NOVEMBER.
3. IMPROVING MANAGEMENT OF OUR MARITIME ALLOWANCES WILL ENABLE US TO MAINTAIN AN EFFECTIVE WHOLESALE/RETAIL INVENTORY STRATEGY. THE BENEFITS OF THIS LOGISTICAL EFFORT WILL IMPROVE THE COMBAT CAPABILITY AND SUSTAINMENT OF OUR FIGHTING FORCES AND CAN ONLY BE COMPLETED WITH YOUR SUPPORT.//

**Flag Board... PAC / LANT FLT Msg  
311613Z AUG 01... asked for  
comprehensive review**

- *Model overview... history and strategy***
- *Allowance range and depth disparities...  
why the differences?***
- *Net and gross effectiveness performance  
and goals... what's the right  
number... "What's that buy?"***



**SUP tasked with coordination**

**CINCLANTFLT underscored the desire to include the following in this Comprehensive Review::**

- ***Configuration Management***
- ***Allowance Product use and maintenance***
- ***Current Allowance Products***
- ***Future Allowance Products***
- ***Goals and Metrics***
- ***Desired Detailed Team Approach with Representation from:***
  - **CNO N41**
  - **Fleet CINCs / TYCOMs**
  - **SYSCOMs / Field Activities**
- ***Goal is to Maintain Effective Wholesale/Retail Inventory Strategy***

# *Pieces of the Puzzle*

**Configuration  
Management**

**Current  
Allowance  
Products**

**Metrics  
&  
Goals**

**Allowance  
Product  
Use &  
Maintenance**

**Future  
Allowance  
Products**

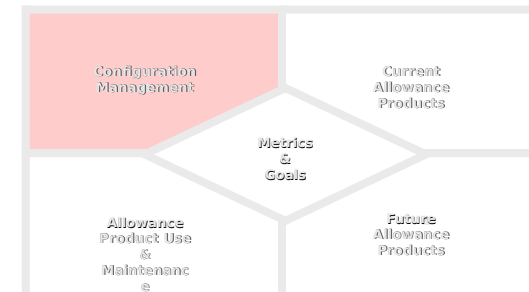
## **CM identified as a general concern**

- No specific problems identified***

## **Perceived CM issues**

- Driving Allowance disparities***

## **NAVSEA current initiatives on-going**



# Current Allowance Products

Allowance process has been driven by fiscal environment

Disparate allowance products resident within and across ship classes... driven by many factors (funding, configuration, etc.)

ASI process... quality of product

Issues:

Allowance Models /  
Tools

**MOD-FLSIP .5F+**

**RBS CILS-TAT**

**REMOVE FAMS**

COSAL Range  
Disparities

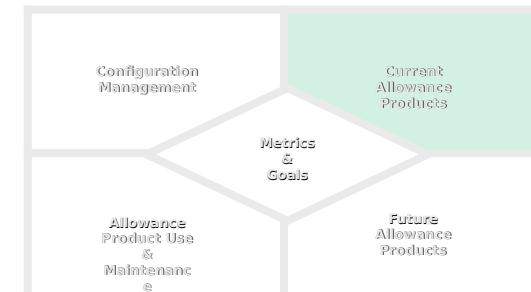
**CG: 16K - 26K**

**DD: 14K - 21K**

**DDG: 11K - 21K**

May be legitimate reasons for disparities...  
difficult to explain to Warfighter

**Provide an accurate / accessible “As Is”  
maritime allowance product baseline for all  
ships and weapons systems**



# *Future Allowance Products*

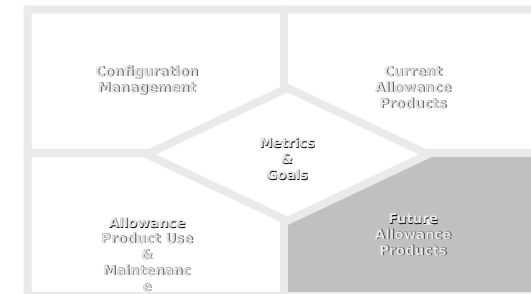
**Provide an accurate / accessible “As Is” maritime allowance product baseline for all ships and weapons systems**

**Tie requirement to resources**

**Standardize allowances**

**COSAL ashore**

**Improve on-going process for identification, defending, executing and monitoring allowance process**



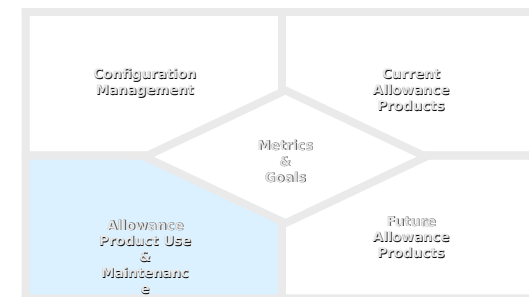


# Allowance Product Use & Maintenance

**Issue: Are we getting as much performance out of our products as we can?**

- *Basic storekeeping*
  - **Training... tech edit**
  - **Proper requisition coding**
  - **Reorder processing**
  - **File maintenance**
  - **ASI / ACR / COSAL Feedback Report processing**
- *Funding... 100% on hand / on order*
- *Supply-Maintenance synergies*
- *Monitoring... CMP*
- *Sustainment*
  - **Are the dials set correctly?**
  - **OS&T, SIM criteria**
  - **How are range and depth calculated?... SNAP vs R-Supply/SNAP II**
- *OPN-8 funding*
- *Wholesale system performance... ACWT*

**Standardized  
shipboard  
processes and  
execution?**



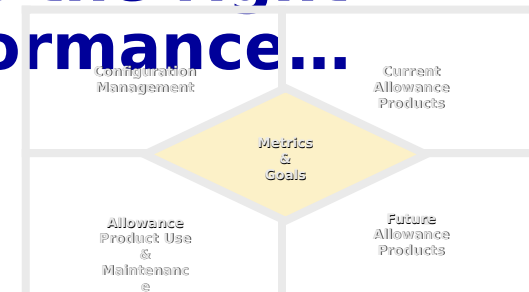
## What are the right metrics to measure supply performance afloat?

- *Readiness and sustainment*
  - A<sub>0</sub>... readiness
  - Range and depth... sustainment
  - Net / Gross effectiveness... still valuable

Multiple, non-integrated databases... CMP, TRMS, 3M / OARS, etc.

Do afloat supply departments have the right tools to achieve and measure performance...  
SNAP, R-Supply, etc.

- *Do TYCOMs?*
- *Are these tools integrated?*



# **Mutual Baseline & FLSIC action**

## **NAVSEA / NAVSUP Conducted Initial Maritime Allowance “Road-Shows” with Fleet Reps**

- *Served as both Informational and Fact Finding Meetings*
- *Determined Scope of Fleet Concerns*
- *Agreed to Address This Issue at the Fleet Logistics Support Improvement Conference (FLSIC)*

### **March 02 FLSIC Action Item 020314-07**

- *SEA 04L establish a Maritime Allowance Working Group (MAWG) (Consisting of OPNAV N41 / Resource Sponsors, TYCOMs, NAVSEA, NAVSEALOGCEN, SPAWAR, NAVSUP & NAVICP-M) to consider policy and procedures for allowancing budgeting and execution requirements*
- *Working Group will meet on a semi-annual basis to focus on Maritime Allowance Execution Performance and plan for future allowance requirements*

# *Pieces of the Puzzle*

**Configuration  
Management**

**Current  
Allowance  
Products**

**Metrics  
&  
Goals**

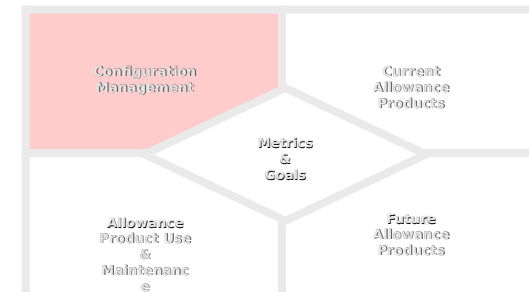
**Allowance  
Product  
Use &  
Maintenance**

**Future  
Allowance  
Products**

## Six step Operational Plan

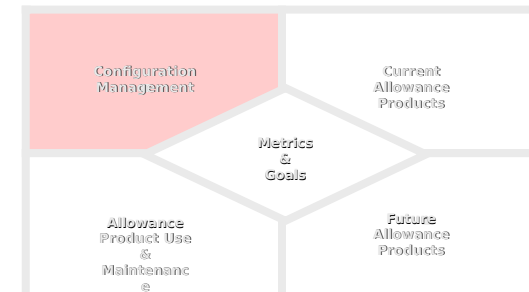
1. Improving Communications
2. Conducting Continuous Assessments
3. Identifying CM Tools Effectiveness
4. Increasing CM Training Opportunities
5. Managing CM Data in ERP Environment
6. Developing Meaningful Metrics

***Collaborative efforts...***  
***Fleet/TYCOM, PEO/SPMs, CDMs/ISEAs,***  
***NSLC, NAVICP, FTSCs/ILO, NSAs, etc...***

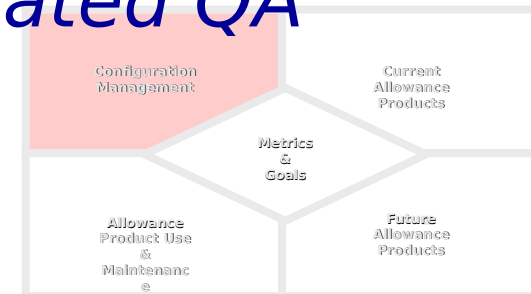


- CDM/ISEA Assessments to define “As-Is” CM functions and processes. Best practices to be shared for standardization (where applicable) and business process improvement
- Increased Configuration Audits to measure health of databases
  - *ENTERPRISE and STENNIS BGs Config Audit results-root cause of configuration discrepancies. Objective: Fix front end of process, not symptoms*
- Validations to fix CM data...always coordinated with TYCOMs
- SEA 04/SEA 53 pilot to develop standard process to document, schedule, and track software configuration in CDMD-OA.
- NSCS Athens, GA-CM Training/CDMD-OA Helpdesk/NICC (Anchor Desk)...CNET on the horizon
- Clean up of CM data prior to ERP migration
- ERP Training and licenses for CM stakeholders

***Making decisions based on  
hard data***



- CDMD-OA Closed Loop process review  
(Source: Fleet FLSIC AI 011115-10)-NAVSEA 201605Z MAY 02
  - Preliminary Finding: Lack of automated closed-loop QA process
  - Results: Changes in NAVICP CM process and modification to CDMD-OA programs to provide auto checks and feedback. Closed Loop Automated QA established



- **Current efforts to capture data from source at beginning of process**

- AIT message NAVSEA 020430Z AUG 00

- RLEC/Port Logistics Facilitator

- Initial feedback from RMMCO indicates that NAVSEA initiative is paying off with increased receipt of pre-planning data at waterfront*

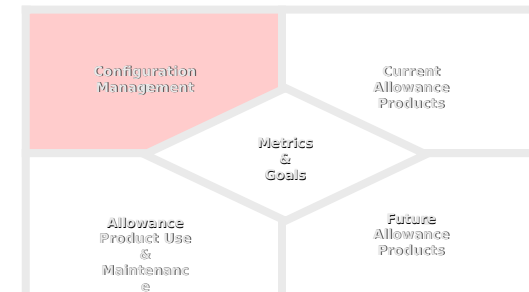
- Port Logistics Facilitator may have a role to track ILS products from planning data to actual receipt onboard ship at completion of installation*

- **SEA 04L5 sponsored Waterfront support**

- Work connectivity and file transfer issues

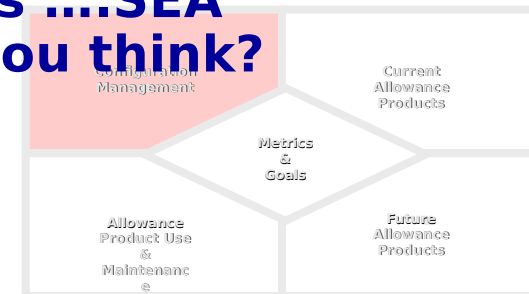
- Constant monitor of ASI data and products

- Fleet Training & Resolve Day to Day fires





- We're still pursuing the review and analysis of CM data, processes and procedures, policy and business process improvement
  - Today most measurements from shore perspective of CM*
  - Receipt of Waterfront CM specific issues would assist in identifying and quantifying systemic Sailor issues*
- Propose team effort with Fleet to gather empirical data from deckplate sailors ....SEA 04L5 to develop the plan...what do you think?



# Current Allowance Products

## Initial Findings:

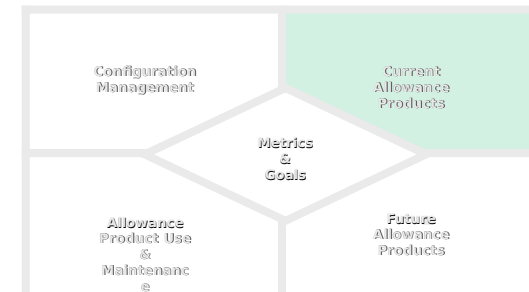
- *No Master allowance file ashore*
- *Pre-99 NSAF to ASI disconnects*
- *ASI 127-132 fallout*
- *Degree of non-standardization*
- *R-Supply to OMMs-NG including 3M disconnects*
  - Fund Code

**Status:** -SMART ACHF (Web Based Master Allowance File..Oct 02)

- *Pre-99 ASI disconnects corrected for JFK BG (ASI 308)*

*Balance in POM '04*

- *ASI fallout (corrected) ASI 305*
- *Non-standardization (fix planned)*
- *R-supply OMMS issue (still broke)*

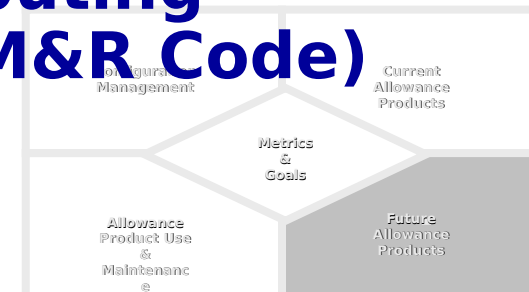


# **Current Allowance Products**

## **Initial Findings: Degree of Non-Standardization - Non RBS Systems**

### **Status: Two Analyses Undertaken**

- Reallowancing to Avoid Deferred Maintenance Actions (DMAs)**
- Average Customer Wait Time (ACWT) Optimization**
- High Number of Items Not Computing (Non-Candidates: Z Overrides, SM&R Code)**



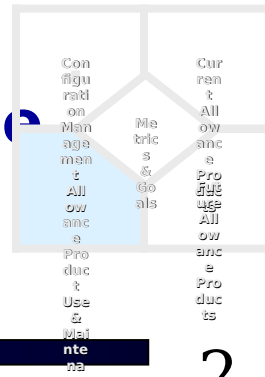
## Initial Findings:

### - *SIM issues*

***..Changing Endurance Parameter from 75 to 90 days increases effectiveness 1-2 points and costs 2-5%***

***..Recommended SIM qualification/retention rules of 2 in 6/2 in 12 provides similar cost and effectiveness, with less churn, as the 2 in 6/1 in 6 policy***

**Status: (1)Endurance parameter changed  
(2)Std SIM qual/ret rules still issue**

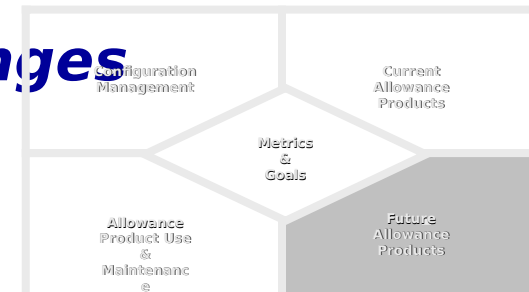


# ***Future Allowance Products***

***Initial Findings: No Master Allowance File  
SMART ACHF (COSAL Ashore)...Oct. 02***

***New installations, new systems or major  
system upgrades***

- Establish requirements in provisioning***
- Freeze initial allowances until change  
required based on performance... NSAF for  
RBS and non-RBS***
- Block upgrades to allowance changes***



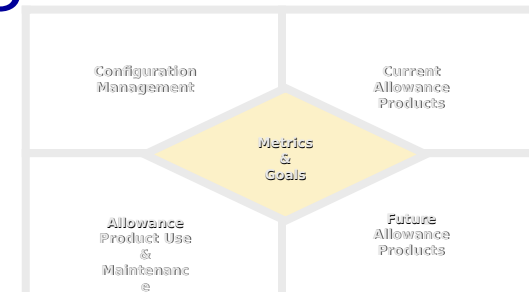
## Initial Findings:

- *Weapon Systems not meeting availability goal and not being re-optimized / reviewed*
- *Net / Gross / COSAL not the right metrics, what are the right metrics? What's that buy?*

**Status:** *Assess all RBS systems annually*

*3M assessment for non-RBS*

*Ao, ACWT, DMA's*



# **Additional findings from initial review**

## **The Problems...**

- ***A<sub>0</sub> assessments not conducted on all systems... RBS not implemented or updated as required***
- ***System performance not assessed annually***
- ***COSAL maintenance limited in focus and visibility... needs increased fleet involvement***

## **The Solution...**

- ***Fund and conduct annual performance assessments across all systems***
- ***Establish Maritime Allowance Working Group***
  - **Membership... all stakeholders**
  - **Purpose...**
    - ***Monitor performance***
    - ***Set readiness based priorities***
    - ***Provide execution oversight***

## ***Previous Issues identified but not funded.***

- ***Develop POM input for OPN-8 funding***
  - RBS (Ao)
  - Non-RBS (DMA)
  - Standardize allowances (backfit where applicable)
- ***Take advantage of current SYSCOM initiatives***
  - Master COSAL ashore
  - RBS assessments
  - CM initiatives
- ***Develop resource requirement necessary to accomplish.***



# ***What did we do?***

- ***Scoped RBS/Non-RBS, ASI fallout for POM development***
- ***Built POM paper***
- ***Readiness assessments on all RBS programs*** (evaluate whether parts are the problem)
- ***Evaluations of different techniques for non-RBS systems*** (DMA's, ACWT, cost, re-allowance at .5F+)

# Recap In English

**Configuration  
Management**

**Current  
Allowance  
Products**

**Metrics  
&  
Goals**

**Allowance  
Product  
Use &  
Maintenance**

**Future  
Allowance  
Products**

## **Purpose:**

- Establish MAWG***
- Charter discussion and resolution***
- Decide Membership and Leads***
- Work the real issues and gain commitment from all players***

## **To review and address allowance related issues**

- 2-pronged purpose:**
  - 1. Ongoing group for improving:**
    - a. Identification of the requirement***
    - b. Requirement to readiness impacts***
    - c. Requirement to budget justification***
    - d. Prioritize & Monitor execution***
    - e. Resolve/adjudicate***
  - 2. ADHOC groups serve short term**
    - a. Problem analysis***
    - b. Process improvement recommendations***

## **I. MAWG ESC: *On-going***

- Chair: *SURFPAC***
- Membership: *Resource Sponsors, SEA 04L, SUP 04, FLTCINCs N41 / N43 / N6 (06 level)***

## **II. MAWG : *On-going***

- Chair: *SURFPAC***

**Subgroups: *Short term***

- I. Identify all allowance related issues**
- II. Categorize into groups**
  - *Establish groups***
- III. Convene groups**
  - *Assign chairs***
  - *Prioritize Issues***
  - *Develop preliminary plan for addressing***
  - *Report out***

***The MAWG will be Supported by the Current Infrastructure of Data Analysis and System Experts from SYSCOMs, NAVICP-M and NAVSEALOGCEN (MAWG Planning Committee) (Resourcing Issues)***

***Plan to Hold Semi-annual MAWG Meetings in conjunction with OPNAV Programming Cycle***

***Expect Sub-Working Groups to meet as required***

***Establishes a framework to identify the real requirement and to assess it annually***

***Need Your Input, Direction and Support***

- N41 Endorse Policy Letter & Obtain Resource Sponsor Participation***





**Action:** *Using 3M data ID critical systems with configuration problems and determine costs in view of improving Mission Capability.*

**Status:** *Review shows over 1405 part related CASREPS, 26 of which were not identified to ships configuration. (APL unknown). 2yrs. Of CASREP data*

*3M review shows approximately 110,816 issue records, 37,628 didn't match ships configuration or the ship was not a registered user of the equipment. Almost 34% of the records didn't match. 3yrs. Of 3M data*

**RADM Knapp asked**